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DE RUEHSJ #0979/01 1292340
ZNR UUUUU ZZH (CCY ADCA947E MSI7323-695)
P 092340Z MAY 06 ZDS
FM AMEMBASSY SAN JOSE
TO RUEHC/SECSTATE WASHDC PRIORITY 4932
INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE

UNCLAS SAN JOSE 000979

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(C O R R E C T E D C O P Y - PARAS RENUMBERED)

E.O. 12958: N/A
TAGS: [PGOV](#) [PREL](#) [CS](#)
SUBJECT: ON INAUGURATION DAY, OSCAR ARIAS PROMISES A
GOVERNMENT THAT WILL MAKE DECISIONS

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Summary

[1](#)1. Oscar Arias was sworn in as president for a four-year term beginning May 8. Present at the mid-day ceremony were the heads of state of the Central American countries, Mexico, Colombia, Ecuador, Haiti, and Taiwan, Prince Felipe of Spain, First Lady of the United States Laura Bush, and former Polish President Lech Walesa. Arias gave an inspirational speech with a simple line that clearly contrasts his style of leadership with that of his predecessor: "We must make decisions." The full text of the speech in English will follow septel. End summary.

Breaking With the Immediate Past

[1](#)2. On May 8, Costa Rica may have entered into a new era. The administration of Abel Pacheco (2002-06) was notoriously without direction, vision, or discipline. Pacheco's handling of the U.S.-Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) was emblematic of a government that was fearful of the opposition and therefore refused to take action. Pacheco delayed 14 months before submitting CAFTA-DR to the legislature for ratification and then encouraged further delay after submission. He also failed to introduce necessary implementing legislation so that CAFTA-DR could enter into force. He constantly made contradictory public statements about CAFTA-DR, expressing doubt that the agreement would benefit the poor but, more recently, saying, "Without CAFTA-DR we will starve."

[1](#)3. In contrast, Arias and his government team appear to have definite ideas on what they hope to accomplish and how to do it. The first positive step was made even before May 8 when Arias's National Liberation Party (PLN) forged a legislative plan with the smaller Libertarian Movement Party. This informal and ad hoc coalition will work together on CAFTA-DR ratification, tax reform, and in other areas with the likely support of the five-deputy Social Christian Unity Party (PUSC) and that of two other deputies. All together, this is a large enough majority to push through most of Arias's ambitious legislative agenda.

A Call For Practicality and Decisiveness

[1](#)4. After being presented the presidential sash, President Arias laid out for the nation what he believes to be the principle challenges of the next four years. His speech in the National Stadium was of course televised and then published in newspapers the following morning. The daily newspaper "La Nacion" captured the most noteworthy line in Arias's speech in its May 9 headline: "We must make

decisions." Arias used those exact words twice and repeated the idea several times in different ways. He said that for years Costa Ricans have chosen to rest on their laurels and chosen "indecision as a method to deal with life...We cannot continue to wander without direction, discussing endlessly amongst ourselves, chasing the illusion of unanimity, using up the best of our days and our efforts as if time did not exist and as if the march of history would stop to wait for tiny Costa Rica to weigh anchor." This was perhaps the most pointed comment in the speech, a criticism of Costa Rica's political culture which is best personified in Arias's immediate predecessor, Abel Pacheco.

¶5. Arias also criticized Latin America politicians and intellectuals in general who "continue to chase after utopias and then blame others for our failures" and who "have a chronic inability to see reality as it is, not as we wish it to be, and are unable to read the world in prose and not in poetry."

Making Costa Rica a Developed Country

¶6. Arias said that if there is a consensus in Costa Rica on anything, it is that "the status quo is not an option." He said that his first task as president begins today -- "to define a direction for Costa Rica and start navigating in that direction." He then laid out a program for his government that he admitted was long term and would reach its culmination only 15 years hence on the country's bicentennial anniversary of independence; by that time, he said, Costa Rica will be able to join the ranks of the international community as "a developed country." (Note: In previous speeches and in comments to us, he said that the goal was to be the most developed country in Latin America. Such a cocksure statement would have been offensive to the heads of state from neighboring countries in attendance.)
GOVERNMENT THAT WILL MAKE DECISIONS

¶7. The first agenda item Arias mentioned was "the struggle against poverty and inequality." That could be done, he said, only by "stimulating the creation of formal jobs in the private sector" and by "reforming and adequately regulating telecommunications, energy, and infrastructure so that they are competitive internationally." Though never mentioning CAFTA-DR, Arias warned, "To return to protectionism or to be disdainful of foreign investment nowadays is the surest path to condemning our youth to unemployment and Costa Rica to underdevelopment...A country that fears the world and cannot adapt itself to outside forces inevitably condemns its young people to seek well-being beyond its borders...It will not be my government, either out of fear or prejudice, that isolates Costa Rica from the international economy."

Need for Public Investment

¶8. Arias declared, "I want to be emphatic on the following: in this administration we will resolve the perennial fiscal crisis of the Costa Rican state." (Note: He offered no details about how he would do it.) There would be new and significant investments in infrastructure so that "never again will our roads, ports, and airports be cause for national shame; never again will we condemn our producers to pass through a nightmare to sell the fruits of their labor." Arias promised to strengthen public education and public health care, making every effort possible in the next four years to increase government spending on education to 8 percent of GDP. His government will "universalize" secondary education by providing stipends to the poorest families so that they can keep adolescents in the classroom. Arias said his government will "fight narcotraffickers without rest, not only by patrolling our waters and guarding our airports, but especially by dealing with the traffickers on our street corners, in our parks, and in front of our schools."

An International Debt-Forgiveness Proposal

¶9. On foreign policy, Arias stressed Costa Rica's traditional "defense of democracy, full enforcement and

promotion of human rights, the struggle for peace and global disarmament, and the search for human development." He said his government will be committed to "multilateralism and strict adherence to international law." He warned that the big issues of our time, such as "a civilized coexistence between peoples constantly buffeted by political and religious fundamentalism and by the weakening of international law," will not be resolved "automatically."

¶10. Arias expressed his major international initiative as follows: "As a country without an army, from today we call upon the world, especially the industrialized countries, that they all give life to the 'Costa Rica consensus.' With this initiative we aspire to establish mechanisms to forgive debts and support with financial resources those developing countries that every day invest more in health, education, and housing for the people and every day less on weapons and soldiers. It is time for the international financial community to reward not only orderly spending, as has been done until now, but also ethical spending."

Comment

¶11. There were several applause-worthy lines in Arias's speech, and Arias in fact received a lot of applause except from the 17 deputies of the Citizens' Action Party (PAC), the major opposition to the Arias government's agenda for the next four years. (Note: The PAC deputies' apparent decision not to applaud at all is perhaps a sign of what to expect from them in the future.) The speech overall was well received; most Costa Ricans we have spoken with were proud of their new president whom they believed was eloquent and represented their country's most positive values. Tomas Duenas, Costa Rican Ambassador to the U.S., with whom we had lunch afterwards, said the speech for him was "like a shot of adrenaline," and he couldn't wait to get back to Washington and go back to work.

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